

ORIGINAL NEW APPLICATION



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SOUTHWEST GAS CORPORATION

Roger C. Montgomery, Vice President/Pricing

May 18, 2007

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AZ CORP COMMISSION
DOCKET CONTROL

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2996

G-01551A-07-0304

Subject: Tariff Sheet Revisions

Southwest Gas Corporation (Southwest) herewith submits for filing and approval an original and thirteen (13) copies of the following tariff sheets applicable to its Arizona Gas Tariff No. 7:

First Revised A.C.C. Sheet No. 28
Second Revised A.C.C. Sheet No. 29

Southwest seeks approval of the Arizona Corporation Commission for a revision to Schedule No. G-30, Optional Gas Service. Southwest is seeking these revisions to Schedule No. G-30 in response to the changes being implemented by El Paso Natural Gas Company in the operation of its system.

Southwest agrees to waive the 30-day review period to allow Staff sufficient time to consider the matter herein.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: *Eduardo Gray* for /
Roger C. Montgomery

c Mr. Robert Gray, ACC
Mr. Stephen Ahearn, RUCO

Arizona Corporation Commission
DOCKETED

MAY 21 2007

DOCKETED BY	<i>NA</i>
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SOUTHWEST GAS CORPORATION
P.O. Box 98510
Las Vegas, Nevada 89193-8510
Arizona Gas Tariff No. 7
Arizona Division

PROPOSED TARIFF SHEET

Canceling _____ First Revised _____ A.C.C. Sheet No. 28
Original _____ A.C.C. Sheet No. 28

Schedule No. G-30

OPTIONAL GAS SERVICE
(Continued)

RATES (Continued)

Unless otherwise provided, the commodity charge per therm shall be determined in accordance with Special Condition No. 2. In no event shall the commodity charge per therm be less than the "floor" cost of gas, which is defined as the sum of (1) the weighted average commodity cost of gas, excluding gas purchased for the Arizona Price Stability Program, purchased by the Utility for system supply during the month; (2) an amount to reflect upstream pipeline capacity charges; and (3) an amount to reflect distribution system shrinkage.

For customers qualifying for service under Applicability Provision (3) above, and, if the Utility is unable to serve such customer utilizing the "floor" cost of gas as set forth above, a Special Gas Procurement Agreement shall be executed and approved by the Commission, and the commodity charge per therm shall be determined in accordance with Special Condition No. 3.

In addition to the charges described above, customers served under this schedule will be responsible for a their share of any interstate pipeline charges incurred by the Utility.

With the exception of gas sales provided for under Special Condition No. 3, the Utility shall account for sales under this schedule using the "floor" cost of purchased gas.

SUPPLIER REFUNDS

If, as a result of any final order of the FERC or the Commission which is no longer subject to judicial review, the Utility receives a cash refund from any of its upstream pipeline transporters or suppliers which is applicable to gas sales made under this Arizona Gas Tariff, the Utility shall allocate such refund to its customers based on the therms billed during the refund period. The amount allocated to customers served under this schedule shall be used to reduce such customers' gas costs.

SPECIAL CONDITIONS

1. Prior to the establishment of service under this schedule, the customer shall execute a service agreement.

Issued On May 18, 2007
Docket No. _____

Issued by
John P. Hester
Senior Vice President

Effective _____
Decision No. _____

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Schedule No. G-30

OPTIONAL GAS SERVICE
(Continued)

SPECIAL CONDITIONS (Continued)

2. Rates may vary from customer to customer based on value of the service and on the customer's ability to change from one fuel to another and may be revised from time to time as costs and conditions change. In no event shall the non-gas cost rates charged to the customer, excluding gross revenue taxes, exceed the sum of the applicable Delivery Charges and the Rate Adjustment, if applicable, that would have been charged under the customer's otherwise applicable gas sales tariff schedule.
3. A Special Gas Procurement Agreement under this schedule is defined herein as an agreement between the Utility and an applicable customer which enumerates the provisions whereby the Utility will procure specific supplies of gas for the customer. The Agreement must be reviewed and explicitly approved by the Commission prior to providing service pursuant to this condition. The commodity charge per therm for Special Gas Procurement Agreement customers may vary depending on the terms and conditions of the Agreement, but in no event shall be less than the sum of (a) the weighted average cost of gas purchased from suppliers on behalf of the customer; (b) any upstream pipeline capacity or volumetric charges, including an allowance for pipeline shrinkage, incurred to deliver such supply to the Utility's mainline delivery point; and (c) an amount to reflect distribution system shrinkage. A sole and separate accounting of gas purchases and sales made under Special Gas Procurement Agreements shall be maintained by the Utility. The cost of gas purchases made for such customers will be excluded from the Purchased Gas Cost Adjustment Provision. However, the Utility shall credit to Account No. 191, Unrecovered Purchased Gas Costs, all upstream pipeline capacity charges collected from the customer.
4. All customers that qualify for service under this schedule because of installed alternate fuel capability must have and maintain adequate alternate fuel standby facilities of equivalent capacity to those natural gas facilities served hereunder. These facilities are subject to Utility inspection and verification of operating capacity and capability.